

## ■ Consolidated Cash Flow Statement

For the year ended 30th June, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss before taxation		(220,803)	(39,948)
Adjustments for:			
Interest income		(3,348)	(1,553)
Finance costs		7,829	5,259
Dividend income		(17)	(21)
Deficit on revaluation of investment properties		78,012	–
Depreciation and amortisation of property, plant and equipment		9,069	11,534
Loss on disposal of subsidiaries		–	18
(Gain) loss on disposal of other investments		(3,159)	51
Loss (gain) on disposal of other securities		85	(330)
Amortisation of goodwill		220	110
Release of negative goodwill to income		(2,326)	(400)
Allowance for trade and other receivables		17,613	–
Allowance for short-term loans receivable		23,990	3,065
Allowance for long-term receivable		1,180	–
Impairment loss recognised in respect of other investments		38,968	–
Impairment loss recognised in respect of property, plant and equipment		18,986	4,100
Impairment loss recognised in respect of other securities		–	619
Loss (gain) on disposal of property, plant and equipment		8	(939)
Loss on disposal of investment properties		–	9,823
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Operating cash flows before movements in working capital		(33,693)	(8,612)
(Increase) decrease in inventories		(1,606)	2,782
Decrease in trade and other receivables		1,969	1,654
Decrease in trade and other payables		(3,936)	(6,631)
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Cash used in operations		(37,266)	(10,807)
Hong Kong Profits Tax paid		–	(381)
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<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(37,266)</b>	<b>(11,188)</b>

# Consolidated Cash Flow Statement Cont'd

For the year ended 30th June, 2003

	2003	2002
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	10,548	290
Repayment of short-term loans receivable	5,598	35,294
Proceeds from disposal of other investments	5,499	88
Interest received	1,806	1,553
Decrease in pledged bank deposits	1,483	430
Rebate from a vendor in respect of purchase of property, plant and equipment	284	–
Repayment of long-term receivable	240	–
Proceeds from disposal of other securities	25	873
Dividends received	17	21
Advance of short-term loans receivable	(13,095)	(52,431)
Purchase of property, plant and equipment	(2,496)	(5,362)
Proceeds from disposal of investment properties	–	67,436
Purchase of investment properties	–	(61,822)
Acquisition of additional interest in a subsidiary	–	(1,882)
Purchase of other securities	–	(512)
Purchase of other investments	–	(85)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	38	(18)
	<b>9,909</b>	<b>(16,127)</b>
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		
<b>FINANCING ACTIVITIES</b>		
Repayment of bank loans	(30,760)	(31,788)
Repayment of obligations under finance leases	(7,204)	(3,506)
Interest paid	(6,962)	(4,796)
Repayment of other loans	(5,815)	(32,598)
Finance charges paid in respect of obligations under finance leases	(867)	(463)
New bank loans raised	21,049	75,916
New other loans raised	11,598	85,388
Advance from a minority shareholder of a subsidiary	5,198	–
Advance from a director	2,214	–
Proceeds on issuance of a convertible note	780	–
Additional capital from minority shareholders	–	2,331
	<b>(10,769)</b>	<b>90,484</b>
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>(38,126)</b>	<b>63,169</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		
	<b>74,477</b>	<b>11,308</b>



## ■ Consolidated Cash Flow Statement Cont'd

For the year ended 30th June, 2003

<i>Notes</i>	<b>2003</b> <i>HK\$'000</i>	2002 <i>HK\$'000</i>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b><u>36,351</u></b>	<b><u>74,477</u></b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as previously reported		60,941
Effect of reclassification of import loans		<u>13,536</u>
Cash and cash equivalents as restated		<b><u>74,477</u></b>
Being:		
Other time deposits	<b>38,338</b>	38,011
Bank balances and cash	<b>6,589</b>	40,664
Bank overdrafts	<b><u>(8,576)</u></b>	<u>(4,198)</u>
	<b><u>36,351</u></b>	<b><u>74,477</u></b>